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DEPARTMENT OF TRANSPORTATION

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JAMES R. DeSANA, DIRECTOR

April 4, 2000

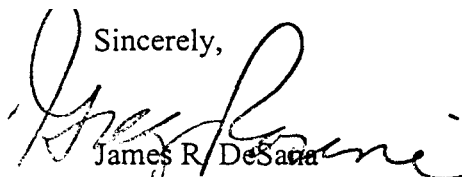

The Honorable Philip E. Hoffman, Chair  
Appropriations Subcommittee on Transportation  
Michigan State Senate  
P.O. Box 30036  
Lansing, Michigan 48909

The Honorable Judith Scranton, Chair  
Appropriations Subcommittee on Transportation  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Senator Hoffman and Representative Scranton:

In accordance with Section 334 of Public Act 136 of 1999, enclosed is a report outlining the Michigan Department of Transportation's efforts to increase the use of women and minority owned businesses in state and local road construction projects.

If you have any questions or comments regarding this report, feel free to contact me or Charles E. Ford, Administrator, Office of Equal Opportunity at (517) 373-6732.

Sincerely,  
  
James R. DeSana  
Director  


ADM:OEO:CEF:tkd  
Enclosure

cc: G. Rosine  
E. Timpf  
J. Kraus  
C. Ford

#### Requirement (PA 136 of 1999, Section 334)

The department shall continue its program to increase the use of women and minority owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women and minority owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women and minority owned businesses. The department shall report by March 31, 2000, to the house and senate appropriations subcommittee on transportation and the house and senate fiscal agencies of its progress in complying with this section.

#### Response

One of the department's outreach and educational efforts involves attendance at various industry conferences, seminars, and trade fairs where potential Disadvantaged Business Enterprises (DBEs) may be in attendance. The goals are: 1) to maximize outreach efforts and recruitment of new DBE certified firms for transportation-related work; and, 2) to inform minority and women business owners about MDOT programs, processes, and opportunities. In addition to MDOT opportunities, firms are made aware of, and linked to, other potential sources for business opportunities. During 1999, MDOT participated in the following outreach activities:

Michigan Road Builders Association (MRBA) Annual Conference;

Association of Underground Contractors (AUC) Michigan's Heavy Construction Association Annual Super Conferences (three held at various locations);

American Consulting Engineers Council (ACEC/Michigan, Inc.) Annual Conference:

Michigan Minority Business Development Council's (MMBDC) Annual Trade Fair;

Suburban Mobility Authority for Regional Transportation's (SMART) first DBE Conference; and

How to do Business with the State of Michigan seminars. (These seminars were a joint effort between MDOT, the Department of Management and Budget, and the Michigan Economic Development Corporation. Presentations explained the various state agency programs followed by one-on-one assistance. Eight seminars were held throughout the state during 1999.)

MDOT conducts orientations of its contracting processes and practices, contracting opportunities, DBE program requirements, and other available services provided to all DBEs. Orientations are typically scheduled at the same location as, and one day in advance of, MDOT's pre-letting meetings. At the pre-letting meetings, the prime contractors convene to bid on MDOT upcoming projects and firm up subcontractors. The orientation schedule provides DBE firms with specific MDOT contracting training and

immediate access to the bidding environment the following day. In addition, MDOT's DBE technicians are on-site and available at the pre-letting meetings to assist certified firms individually with introductions to prime contractors, additional clarification of the bidding process, and guidance into the MDOT construction industry.

Additional DBE educational opportunities take the form of technical assistance provided by MDOT Construction and Technology Division staff engineers, technicians, and technical specialists within each region. Areas of technical assistance often include workshops specific to MDOT such as bituminous and concrete paving, bridge construction, drainage and watermains, maintaining traffic, and other construction related topics. Assistance is also provided relative to administrative tasks such as bid documents, project documentation, bonds, affidavits, insurance, payments, claim procedures, and force accounts.

Some training opportunities are especially designed for and offered to our certified DBE firms through the department's DBE Management and Technical Training Program. Courses scheduled throughout the year will cover a variety of topics such as negotiating contracts, construction cost estimating, reading construction plans and specifications, marketing, business plan writing, etc. Speakers from the U. S. Small Business Administration and other financial institutions provided training and information relative to financial issues such as capital, loans, bonds, and insurance. In addition, an annual two- or three-day DBE conference is held by (American Consulting Engineers Council), trucking regulations, computer issues, business planning, strategic planning, and workforce management.

To further assist our DBE certified firms, MDOT maintains an educational/training reimbursement program. This program offers partial cost reimbursement (up to 80 percent with a \$5,000 maximum per year per firm) for DBE certified firms located in Michigan with personnel attending approved classes, programs, or seminars.

Also, MDOT continues its Call Services Program which provides one-on-one assistance to our DBE contractors. Assistance may take the form of verbal guidance or may require a meeting with the owners and key staff at the firm's office. Each Call Service is intended to assess and assist individual firms in meeting their specific business needs.

Minority- and women-owned firms (DBEs) received over \$80 million worth of MDOT and local government work (federally funded projects) during fiscal year 1999.